



**Pacific Gas and
Electric Company™**

Barbara S. Benson
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March 24, 2008

VIA EMAIL AND HAND DELIVERY

Chris Reiner, SFD-9-4
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

Re: GENERAL NOTICE OF POTENTIAL LIABILITY
Yosemite Creek Superfund Site
San Francisco, CA
Company Name: Pacific Gas & Electric Company

Dear Mr. Reiner,

Pacific Gas and Electric Company hereby responds to the above-referenced General Notice of Potential Liability letter (General Notice) dated Feb. 21, 2008, from EPA regarding the Yosemite Creek Superfund Site.

The General Notice explains that the adjacent Bay Area Drum (BAD) site was the source of contamination of the Yosemite Creek Superfund site, and that PG&E received the General Notice because PG&E was identified as a potentially responsible party (PRP) for the BAD site. PG&E was a *de minimis* party for the BAD site. PG&E cashed-out its liability for the BAD site and paid the BAD PRP Group to assume PG&E's liability associated with that site. The BAD PRP Group agreed to defend and indemnify PG&E for claims associated with the BAD site. Members of the BAD PRP Group include: Ashland, Inc, ChemCentral Corporation, General Motors Corporation, Lockheed, NL Industries, Inc., Occidental Chemical Company, Pennzoil Company, Redwood Oil Company, Romic Environmental, Textron, Inc. and Van Waters & Rogers, Inc.

PG&E has been advised that Nicholas van Aelstyn, an attorney with Beveridge & Diamond, 456 Montgomery Street, Suite 1800, San Francisco, CA 94104 has been retained recently to represent the members of the BAD PRP Group. PG&E has tendered EPA's Yosemite Creek claim to the BAD PRP Group via Mr. van Aelstyn, and requested that the BAD PRP Group defend and indemnify PG&E. That claim is under consideration and PG&E expects that the claim will be honored. At this time, PG&E has not been informed as to whether the BAD PRP Group will be re-constituted as the Yosemite Creek PRP Steering Committee.



Mr. Chris Reiner
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Please direct future correspondence regarding this matter to:

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77 Beale St, B30A
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with a copy to:

Anne P. Conner
PG&E Site Remediation
375 N Wiget Ln
Walnut Creek, CA 94598

Email: apbl@pge.com

Very truly yours,

A handwritten signature in black ink, appearing to be 'BSB', written over a horizontal line.

Barbara S. Benson

cc: Anne P. Conner
Pacific Gas and Electric Company
375 N. Wiget Lane
Walnut Creek, CA 94598

Nicolas van Alestyn, Esq.
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